New York's agony
—and a man with a plan

February 23, 1981

RAILWAY AGE

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RAILWAY AGE

USPS 449-130

February 23, 1981 • Vol. 182, No. 4

Editorial and Executive Offices
New York, N.Y. 10014, 345 Hudson Street
212/620-7200

ROBERT G. LEWIS, Publisher
LUTHER S. MILLER, Editor

Associate Editor: June Meyer
Contributing Editor: William D. Middleton
Art Director: Maurice H. Mates
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Marketing and Sales: William J. Cavenagh
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Editorial and Executive Offices
Chicago, Ill. 60602, 29 E. Madison St.
312/641-5815

GUS WELTY, Senior Editor
Associate Editor: Frank Malone
Engineering Editor: William J. Semioli
Consulting Editor: Merwin H. Dick
Editorial Assistant: Wanda Welty

Washington, D.C. 20045, National Press Bldg.
202/347-1155

Associate Editors:
John H. Armstrong, Tom Kizzia

Falmouth, Cornwall, TR11 4RJ, England
P.O. Box 8 (Cable: MISBOARD)
Telephone: 44-326-313945

International Editors:
John Levett, Michael Knutton

Railway Age, descended from the American Railroad Journal (1832) and the Western Railroad Gazette (1856) and published under its present name since 1876, is indexed by the Business Periodicals Index and the Engineering Index Service. Name registered in U.S. Patent Office and Trade Mark Office in Canada.

Published semi-monthly by the Simmons-Boardman Publishing Corporation, 508 Birch St., Bristol, Conn. 06010. Subscription rates to all railroad, rail rapid transit employees and industrial traffic department employees in the U.S. possessions, Canada and Mexico: $10 one year, $16 two years; all other countries $25 one year. All other subscribers in the U.S., Canada, and Mexico: $20 one year; all other countries: $35 one year. All subscriptions payable in advance. Single copies $1 plus postage and handling, except special issues. Copyrighted © 1981.

Address all subscriptions, change of address and correspondence concerning them to Subscription Dept., Railway Age, P.O. Box 530, Bristol, Conn. 06010.
Change of address should reach us three weeks in advance of next issue date. Send old address with new enclosing, if possible, your address label. Post Office will not forward copies unless you provide extra postage.

Member of

Printed at Hughes Printing Co., 34 North Crystal St., East Stroudsburg, PA. 18301. Controlled circulation postage paid at East Stroudsburg, PA., and at Bristol, CT.
POSTMASTER—SEND FORM 3579 TO P.O. BOX 530, BRISTOL, CONN. 06010

Inside

LUTHER S. MILLER

THE STOCKMAN REPORT

Poor folks everywhere can rejoice that the new administration in Washington, contrary to rumor, is not going to try to balance the budget by eliminating schoolchildren's lunches or raiding old people's pensions. But no such reassurance has been given to the poor folks who ride Amtrak's trains. In fact, there are increasing signs that Amtrak is regarded as something of a sitting duck for the sharpshooters at the Office of Management and Budget.

No final decisions have been made, and none *will* be made without a brisk fight on Capitol Hill, where Amtrak has a scrappy if small constituency of true believers. But OMB Director David Stockman, a powerful figure in the new government, has made his own position on passenger trains chillingly clear (p. 14). He believes that they are no more essential than the riverboats of yore. "It is inappropriate," says Mr. Stockman, "for the federal government to subsidize travel between two points when the private sector offers common carrier bus and air travel services."

(Does Mr. Stockman believe that the highways the buses roll on, and the air traffic control systems the airlines fly in, are unsubsidized?)

Mr. Stockman has not proposed killing Amtrak, but he *has* proposed raising fares by 50% to 100% or more, and reducing Amtrak's capital budget by about $125 million a year, which would amount to the same thing.

Doubtless there are many who would regard this as a mercy killing. We are not among them. Amputate where necessary, yes; but don't cut out the patient's heart.

(Mr. Stockman is, at least, consistent in his attitude towards trains. Last year he refused to endorse Amtrak's Detroit-Chicago route as an "emerging corridor" although that route runs through his district.)

At about the same time the Stockman report was landing on editors' desks, another important piece of passenger-train news was breaking. The French government announced, with considerable pride, that 165-mph passenger trains would start operating on a new line between Paris and Lyon next Sept. 27. The new line represents an enormous investment in francs; it also represents, as France sees it, an important investment in the future of transportation. The new line will prove, claims French National Railroads, "that highly fuel-efficient railroads can adapt to modern age technology and provide valid alternatives to other means of transportation."

Something is screwy somewhere. And not, we believe, in Paris.

PEOPLE, PROPERTIES, AND THE NEW BN

"Era of the Giants" is the title of a new series of articles that begins in this issue of *Railway Age*; it is singularly appropriate to kick off the series with the merged Burlington Northern/Frisco. The new BN is big: If the railroads of Britain, Sweden, and Italy were somehow put together, the resulting network would be only a smidgen bigger than this biggest of all U.S. railroads. BN now has a single through route of more than 3,000 miles, Portland to Birmingham.

But as the Penn Central demonstrated so convincingly a few years ago, big is not necessarily better, or even as good. What makes BN loom so big in the future of this country's transportation is not giantism alone, but the fact that it represents, in Senior Editor Gus Welty's words, "a good fit in terms of properties and personalities." How the two are meshing is the subject of Gus's cover story (p. 18).

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THE ERA OF THE GIANTS ***BN/Frisco***

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The new BN has big problems, but also some big advantages: It's the product of a true-end-to-end merger, with little duplication of facilities or routes, and its managers are not strangers to each other.

25 Operations: Family Lines puts it all together
All operations control functions of the lines that make up the system are now centralized at Jacksonville, Fla. "It's really great to have a visual abstract of the entire situation," says one officer.

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There are two or three exceptionally strong marketing departments, and there have been some well publicized marketing successes. But the industry still has a long way to go before actions live up to rhetoric.

42 Railview: "One word says it all. Innovate!"
Deregulation means service innovations—and that, in turn, means railroads and carbuilders will be working in relationships that "put heavy premiums on engineering and creativity," writes ACF's Henry Correa.

44 New York's transit agony—and a man with a plan
NYCTA President John D. Simpson believes that only massive capital investment can pull the city's subways out of their present crisis—and he is exploring some unusual ways of financing it.

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COVER: Photo symbolizes the coming together late in 1980 of BN and Frisco.

Market

CARLOADINGS

Loadings of revenue freight in the week ended Jan. 31 totaled 443,161 cars, according to the Association of American Railroads. This was an increase of 8,230 cars, or 1.9%, compared with the corresponding week last year. Ton-miles generated by carloadings in the week ended Jan. 31 are estimated at 18.3 billion, an increase of 7.0% above the corresponding week of 1980.

REVENUE FREIGHT CARLOADINGS

Commodity	Jan. 31 week	Jan. 24 week
Grain	31,706	34,547
Farm products	4,087	4,331
Metallic ores	25,483	25,834
Coal	118,145	111,716
Crushed stone, gravel & sand	10,903	10,506
Nonmetallic minerals	12,489	13,376
Grain mill products	16,640	16,822
Food and kindred products	17,184	17,490
Primary forest products	19,936	19,917
Lumber & wood products (except furniture)	9,612	9,078
Pulp, paper & allied products	21,489	21,243
Chemicals & allied products	28,835	28,236
Petroleum products	6,447	6,623
Stone, clay & glass products	13,666	13,894
Coke	6,229	6,120
Metals & products	16,890	16,290
Motor vehicles & equipment	16,872	15,997
Waste & scrap materials	12,922	13,245
Forwarder & shipping assn. traffic	10,924	10,404
All other carloads	42,357	40,871
LCL traffic	344	329
Total cars loaded	**443,161**	**436,869**
Cumulative total	1981	1980
5 weeks	**2,050,457**	**2,134,932**
Estimated revenue ton-miles (billions), 5 weeks	**85.7**	**84.2**

PIGGYBACK LOADINGS

U.S. piggyback loadings for the week ended Jan. 24 totaled 32,281 cars (6.4% below the corresponding 1980 week) and 57,967 trailers or containers (down 7.1% from 1980). Cumulative volume for the first 4 weeks of 1981 is 111,641 cars (down 10.2% from 1980) and 201,038 trailers or containers (down 10.6% from 1980).

CANADIAN CARLOADINGS

Canadian railway revenue freight loaded in the seven-day period ended Jan. 7, 1981 totaled 3.6 million tons (up 4.2% from 1980). Cars loaded totaled 53,405 (up 8.1% from 1980).

● *CP Rail.*—Ordered 50 100-ton, 52-ft, 6-in. covered coil gondola cars from National Steel Car at a cost of $4 million for delivery in June and July.

● *Milwaukee Road.*—Is taking delivery of 500 new gondolas acquired under long-term lease from PACCAR. Lessor is Railease, Inc., a joint venture of PACCAR and Brae Corp. To be completed by March, deliveries represent Milwaukee's first major acquisition of gondolas since 1975. The 100-ton mill gons are part of a plan to tailor services for customers in the slimmed-down "Milwaukee II" territory.

● *Seaboard Coast Line.*—Awarded a $9-million contract to Dravo Wellman Co. for expansion of a phosphate transfer terminal at Tampa, Fla. Dravo Wellman is a Cleveland-based subsidiary of Dravo Corp. of Pittsburgh.

● *Freight cars and locomotives.*—The following report has been received rom the AAR and the ARCI:

DELIVERED

	December 1980	December 1979	November 1980	Twelve months 1980	Twelve months 1979
Built new by carbuilders	5,151	7,376	4,574	80,357	83,931
Built new in RR shops	379	708	371	5,563	6,090
Built new—total	5,530	8,084	4,945	85,920	90,021
Rebuilt	13	16	7	1,163	882
TOTAL DELIVERED	**5,543**	**8,100**	**4,952**	**87,083**	**90,903**
Locomotives (new and rebuilt)	149	160	86	1,724	1,892

ORDERED

To be built new by carbuilders	4,722	7,538	3,230	40,140	113,060
To be built new in RR shops	0	1,000	700	5,250	6,031
To be built new—total	4,722	8,538	3,930	45,390	119,091
To be rebuilt	0	16	0	1,063	895
TOTAL ORDERED	**4,722**	**8,554**	**3,930**	**46,453**	**119,986**

ON ORDER AND UNDELIVERED

	January 1 1981	January 1 1980	December 1 1980	Average backlog 1980	Average backlog 1979
To be built new by carbuilders	47,866	112,749	51,337	74,036	113,667
To be built new in RR shops	5,939	6,252	6,318	6,431	6,317
To be built new—total	53,805	119,001	57,655	80,467	119,984
To be rebuilt	0	100	13	242	102
TOTAL ON ORDER	**53,805***	**119,101**	**57,668**	**80,709**	**120,086**
Locomotives (new and rebuilt)	665	1,460	472	820	1,010

*Due to revisions and cancellations of some orders, the backlog has been reduced by 3,042 cars.